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FM AMEMBASSY MANILA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1069
RHMFIIU/FAA NATIONAL HQ WASHINGTON DC IMMEDIATE
RULSDMK/DEPT OF TRANSPORTATION WASHINGTON DC IMMEDIATE
INFO RUEHGP/AMEMBASSY SINGAPORE IMMEDIATE 7415
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 3567

UNCLAS MANILA 001496

SIPDIS
SENSITIVE

STATE FOR EAP/MTS AND EEB/TRA/AN
FAA FOR API-1/AFS-50/AGC-7
SINGAPORE FOR FAA REP
TOKYO FOR FAA CARL STROMBOM

E.O. 12958: N/A

TAGS: FAIR ECON RP

SUBJECT: Civair Safety in the Philippines: Discussion with ICAO
consultant

REF: STATE 149143

¶11. (U) Please see paragraph 8 for an action request.

¶12. (SBU) Summary: Our meetings with Philippine government officials, airline owners and managers, and other involved persons suggest that little progress has been made on the return to Category ¶11. A June 20 meeting with a flight safety consultant employed by the International Civil Agency Organization served to confirm our concerns. We believe it is crucial for the FAA to deliver a very serious message to the Chairman of the Transportation Committee of the Philippine House of Representatives next week. End Summary.

¶13. (SBU) A flight safety consultant with the International Civil Aviation Organization (please protect source) confided to us on June 20 his highly negative opinion of Philippine Air Transportation Office and of the officials from that office soon to travel to Washington for meetings with the Federal Aviation Administration. As this consultant is working in the ATO on behalf of the ICAO attempting to prepare for an ICAO inspection to take place in November, he is well placed to assess progress in addressing the deficiencies found by the FAA last year in the flight safety regulation of the Philippines.

Key Steps

¶14. (SBU) The flight safety consultant told us that the upcoming meeting between Air Transport officials and the FAA to discuss an FAA action plan would be "a complete waste of time and money" that could delay implementation of needed measures. He said ICAO has already provided ATO with an action plan designed to help address issues that the November 2008 ICAO review would raise, but that the key changes needed to overcome ICAO and FAA-identified deficiencies cannot be implemented until 1) the Philippine President appoints a Director General for the new Philippine Civil Aviation Authority, 2) the Director General calls on the Civil Aviation Board to meet, and 3) the Board stands up the Civil Aviation Agency of the Philippines (CAAP), allowing reform provisions contained in legislation passed earlier this year to go into effect.

Corruption and Incompetence

¶15. (SBU) The consultant described the ATO to us as a corrupt organization led by incompetent people, and suggested that the ATO officials traveling to Washington may actually seek to delay remediation of safety deficiencies to protect their own jobs. He said that ATO inspectors continue to be focused on traveling, in order to receive per diem, and have no real interest in

inspections.

16. (SBU) According to the consultant, the ATO has committed one third of the funds provided on an extraordinary basis by the government for the construction of a new building to house the CAAP. That expenditure has left it with no funds to hire new inspectors. And until the new agency is stood up, it will be impossible to hire qualified personnel, as the new, competitive pay scale will not be in effect. He said that current ATO personnel, from the top to the bottom of the agency, have no interest in seeing the CAAP stood up as they are rightly concerned that they will lose their jobs. From the consultant's perspective, their concern is well founded, since most of them are incompetent and should lose their jobs.

17. (SBU) Congressman Monico Puentevela, Chairman of the House Committee on Transportation, will be in Washington with the Philippine Presidential delegation next week. He has requested a meeting with the FAA. Congressman Puentevela was the key to passage of the legislation establishing the CAAP earlier this year. He discusses the effort to return to Category 1 on civair safety frequently with us, with the airlines, and with President Arroyo. We strongly support Congressman Puentevela's request for an appointment.

Comment and Action Request

18. (SBU) The ICAO consultant's comments parallel those of other observers. We believe they are an accurate assessment of the situation. We do disagree about the utility of an FAA action plan. We believe that, even if the key actions are already listed in the ICAO action plan, a plan with the explicit endorsement of the FAA would be very influential in the Philippines and could make an important contribution to the effort to reverse the downgrade.

19. (SBU) We believe it is crucial that the FAA deliver to Congressman Puentevela a clear expression of USG concern over the lack of progress which has been made so far on Civair Safety. We recommend the following talking points:

-- We were impressed and pleased to see the seriousness with which the Philippine Congress dealt with the issue of civil aviation safety earlier this year. We understand that you played a key role in the crafting and passage of this important legislation.

-- Unfortunately, we are hearing reports that little progress has been made since passage of the legislation.

-- Given the serious and lasting deficiencies in the Philippine civil aviation safety regime which our inspection brought to light last year, we believe that serious and concerted action will be necessary to bring the Philippines back to Category 1.

-- The Philippine Congress has given the executive branch the tools with which to do that, but those tools are not being used. An effective Director General needs to be appointed. He or she should be a strong manager and will need the support of the government in order to boldly "clean house."

-- The new agency needs to be stood up as soon as possible and new inspectors hired and trained.

-- The ATO has asked that the FAA help with the creation of an action plan for the return to Category 1. We are discussing how to do that. We are happy to help. However, our assessment is that much more decisive action will be necessary to put the Philippines on track toward Category 1.

-- The ICAO inspection in November of this year is something we will watch closely as an indication whether progress is being made.

Gibbons